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Youth and Employment

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Foreword

This paper has been prepared at the request of the United Nations Youth Unit for the First Session of the World Conference of Ministers Responsible for Youth to be held in Lisbon, Portugal, 8-12 August 1998. The United Nations Youth Unit is the focal point for all youth matters within the United Nations system.

Rates of youth unemployment are generally at least twice as high as adult rates. Young women often experience higher unemployment rates than young men while for disabled young people, young people from ethnic minorities, those with low levels of education and with no pre employment training unemployment rates can be astronomical.

Unemployment of youth has far reaching implications on the labour market and the society at large. It contributes to economic exclusion and poverty and increases the probability of future joblessness. It obstructs the movement of young people from adolescence to adulthood and in turn is a major cause of crime and drug abuse. High levels of youth unemployment can also lead to alienation from society and a distrust of democratic political processes. As a result social cohesion is undermined.

This report gives an overview of youth unemployment, along with some of the policies for tackling it. The first section presents information on the magnitude of youth unemployment in both developing and developed countries, and discusses its causes and consequences. The second section considers the international policy context, stressing the role of international and regional forums as well as the activities of the UN system (including the ILO) to promote youth employment. This is followed by a review of the role of the employers' and workers organizations, NGOs and the community in the formulation and implementation of youth employment policies. The fourth section highlights some youth employment initiatives and identifies the priorities for youth employment policies. The last section provides brief concluding remarks. Sound practices in youth employment policies and programmes are presented in this paper.

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1. Introduction

1.1 Definition of youth and youth unemployment

According to the standard UN definition, also used by the ILO, youth comprises the age-group between 15 and 24 inclusive. In practice, the operational definition of youth varies widely from country to country depending on cultural and institutional factors. In industrialised countries and in the Eastern European transition economies, the lower age limit usually corresponds to the statutory minimum school leaving age. The upper limit varies more widely. In developing countries, a minimum school-leaving age often does not exist and standard reporting of the labour force begins at the age of ten or even at birth. Similarly, there is a large variation in the age at which youth officially become adults. Within the youth group, it is important to also make a distinction between teenagers and young adults (20-24) since the problems facing these groups may be quite distinct.

Regarding unemployment, the ILO defines the unemployed as those people who have not worked for more than one hour during the reference period but who are available for and actively seeking work. This definition produces cross-country differences in interpretation. In most countries, students are treated as being outside the labour force, in others, if they are actively seeking for work, they are included.

Normative issues arise such as whether the one hour rule is appropriate. Some national authorities would prefer to use a longer period. Regarding the treatment of those defined as outside the labour force, one might question the exclusion from the unemployed of discouraged people that is, people who wish to work but are not actively seeking a job since they see no possibility of finding one. Their position outside the labour force depends on economic conditions. If the chances of finding work improve, some will return to employment without ever having been defined as unemployed. We

could argue that non-employment is a more useful concept than unemployment. However, such a statistic is not widely reported and is, at least at present, impracticable.

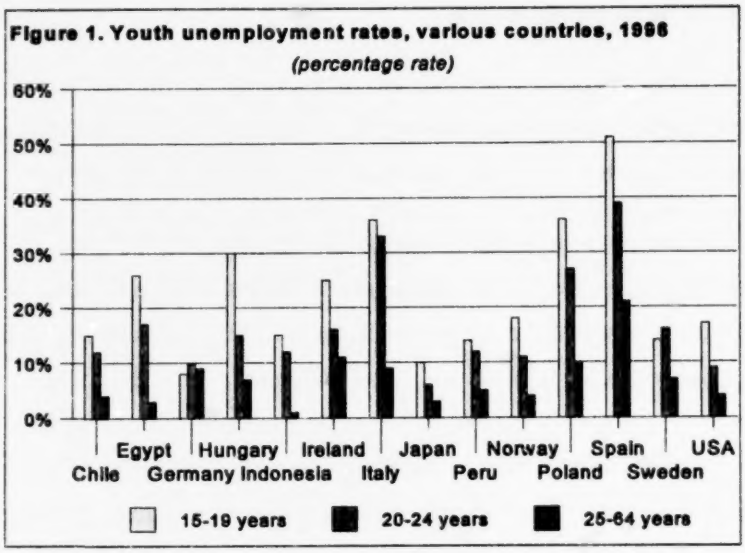
In developing countries, the interpretation of unemployment varies. Without social benefits, the very poor cannot afford to be unemployed. In this context, it is necessary to consider problems associated with underemployment and poor quality jobs in the informal sector. Open unemployment is mainly an urban phenomenon. However, this should not imply that the major difficulties arise only in the urban setting, nor that the solution lies in creating jobs in urban areas.

1.2 Current youth unemployment trends

Young people often encounter difficulties in entering productive employment and youth unemployment is chronic in many member States. With a few exceptions, throughout the world the unemployment rate among young people is much higher than among adults.

In the OECD, the unemployment rate of the 15-24 age group in 1997 was 13.4 per cent, which is more than twice as high as the comparable figure for adults at 5.9 per cent. This means that nearly eleven million young people are unemployed in the OECD. In developing countries, existing data suggest that the gap between youth and adult unemployment rates is even wider than in industrialized countries. Indeed, the problem of the integration of young people into the labour market in developing countries is even more serious than is suggested by an examination of unemployment rates. In transition economies, youth unemployment also has a similar pattern to industrialised countries. Given the massive reductions in output in many transition economies, the solution of the youth unemployment problem is undoubtedly more difficult than in most industrialized countries.

The most striking labour market characteristic of youth unemployment is that it is considerably higher than adult unemployment. As illustrated in Figure 1, this observation is true across a wide range of countries and regions. In some labour markets, youth unemployment rates can be higher than rates for adults in part for reasons that are not necessarily detrimental to younger workers or society. This is because some unemployment may result from a period of job search and job changing early in working life, which may involve voluntary quits and spells of unemployment. These periods of joblessness can actually be beneficial in allowing younger workers to find employment in which their skills and aptitudes can be best utilized. The opportunity cost for young people of taking time in job search tends to be lower, as their skill levels, wages and household costs are less than those of adult workers.



Source: Burke (1998).

1.3 Subgroups that merit specific attention

A number of sub-groups within the category of youth merit special attention. In general, for example, young women either experience higher unemployment rates than their male counterparts or they have lower labour force participation rates. However, this varies much from one country to another. For example, female youth unemployment in Poland in 1994 was 34.5 per cent, compared to 14.5 per cent for adults. The corresponding figures for males were 27.3 per cent and 11.3 per cent respectively.

Disabled young people also face significant difficulties in entering the labour market. This group has lower rates of labour force participation and higher unemployment rates. A study by Sly & Duxbury (1995) reports that for the UK, the participation rate of young disabled males between 20-24 years of age is 70 per cent while for those without disabilities is 85 per cent. Unemployment rates are 33 per cent and 16 per cent respectively. For women, the difference is even larger. The differential in labour market success between the disabled and those without disabilities tends to increase with age. In part this may be attributed to the tendency of disabilities to increase in severity with time, but also to the longer term effects of an early lack of success in the labour market.

Many developing countries are confronted with the problem of the "educated unemployed". However, these represent a fairly small group in numerical terms. Taking into account levels of underemployment and informal sector employment, the more serious problem lies with those poorly equipped to enter productive employment, with low levels of education and skills. Recently, it has increasingly been argued that the educated unemployment hypothesis has been rather overstated. Gregory (1986), for example finds no link between education and unemployment in Mexico. Turnham (1993), looking at the relationship finds that although it appears to exist to some extent, it is not as pronounced as had previously been suggested.

1.4 Causes of youth unemployment

Explanations of youth unemployment basically boil down to a discussion of the relative importance of three factors: aggregate demand, youth wages and size of the youth labour force. In finding responses to the youth unemployment problem it is vital to determine the relative importance of these factors. Many studies have confirmed that the principal cause of youth unemployment is insufficient aggregate demand. Any policy designed to combat the problem must, therefore, take aggregate economic conditions into account.

Aggregate demand affects youth unemployment in a similar way in which it affects overall unemployment. A fall in aggregate demand leads to a fall in the demand for labour in general and

consequently for young workers. Of more interest is the fact that youth unemployment rates are higher than adult rates, and that they are more cyclically variable. A more relevant question therefore, is why the fluctuations in aggregate demand affect youths disproportionately. There are several reasons why youth unemployment is more sensitive than adult unemployment to changes in aggregate demand. On the supply side, it is argued that young people are more likely than older workers to quit their jobs voluntarily. Their initial experiences in the labour market involve some shopping around so as to find an appropriate job. If such voluntary quitting is less cyclically sensitive than job availability, a consequence will be that when job opportunities are scarce, unemployment will rise more amongst those groups with a higher likelihood of quitting their jobs.

This provides only a partial explanation, however, as demand side considerations are even more important. The opportunity cost to firms of firing young people is lower than for older workers. Being less skilled, they embody lower levels of investment by firms in training and consequently involve a smaller loss to firms making them redundant. Furthermore, young people are less likely to be subject to employment protection legislation. Such legislation requires a qualifying period before it can be invoked and compensation for redundancy increases with tenure. Thus, the more recently hired employees will be cheaper to fire, disproportionally affecting young people. Research has shown that the first reaction of firms to a recession is to cease hiring before starting the more expensive procedure of redundancies. It is evident that young people comprise an important segment of job-seekers and thus will be more heavily affected by a freeze in new hires.

It is sometimes argued that youth unemployment is caused by excessively high youth wages. The higher the relative wages of youth with respect to those of adults the more incentives there are to employ adults as opposed to youths. However, this argument relies on the assumption that adults are perfect substitutes for their younger counterparts. In many cases, it is not clear that this is true, particularly regarding skilled workers. If youths and adults are complementary to each other in the work place, reflecting, for example, different skill requirements, the argument no longer holds. Furthermore, if firms have some degree of buyer's power so that they can set wages at a level which is lower than labour productivity without workers quitting, then increasing wages will not necessarily reduce employment. Indeed, empirical studies on the question have produced mixed results. In many OECD countries the relative wage rates of young people have fallen during the 1990s. At the same time, youth unemployment rates have risen. Thus, policies which attempt to reduce youth unemployment through reducing youth wages may not be very successful.

The third factor is the size of the youth cohort. The greater the number of young people on the labour market, the more jobs that will be required to accommodate them. However, the question is how much does the size of the youth population affect youth unemployment? A study of 15 OECD countries by Korenman & Newmark (1997) found that the elasticity of youth unemployment with respect to the relative cohort size is 0.5. This means a relative increase in the youth population of 10 per cent will raise youth unemployment by 5 per cent. In contrast, the elasticity of the youth unemployment rate with respect to that of the adult is 0.7. In other words, although the size of the youth cohort influences youth unemployment, aggregate labour market conditions have a more important effect. In as much as this result can be extended to developing countries it is encouraging. Although the youth population of many developing countries is expected to increase, the problem is not insoluble if there is enough economic growth. On the other hand, in industrialized countries where the youth population is expected to fall, such a fall will not necessarily solve the youth unemployment problem.

1.5 Consequences of youth unemployment

It has been argued that despite young people facing higher unemployment than their older counterparts, the consequences are likely to be less devastating for this group than for adults. The central point underlying such argument regards unemployment duration (Fagin & Little, 1984; Smith, 1987)[1]. However, it is plausible to suggest that the adverse consequences of unemployment increase

[1]The argument is based on the ground that young people face a higher incidence of unemployment but a shorter duration. Whilst in most countries, long term unemployment rates are lower for youths than for adults, in many countries the difference between youths and adults is not substantial. Certainly the difference in long-term unemployment rates between countries is far more striking than the difference between age-groups, which seems to vary in line with youth

more than proportionately with the duration of the spell. Material hardship, physiological and psychological damage due to unemployment are all likely to increase rapidly with duration.

Unemployment early in a person's working life may permanently impair his or her productive potential and therefore employment opportunities. Human beings are more flexible and more easily trained when young. The corollary to this is that patterns of behaviour established at an early stage will tend to persist later in life. Thus, whilst high aggregate levels of youth unemployment may be a relatively temporary phenomenon, falling naturally with an increase in economic activity in the economy, the consequences for the specific individuals facing sustained periods of unemployment are decidedly not. They may suffer permanent damage to their employment and income prospects as a result of a period of unemployment early in their working lives.

Other serious consequences of youth unemployment are linked to the exclusion of young people from productive roles in the adult world of work. Barriers to employment can obstruct the movement of young people in the passage from adolescence to adulthood, which often involves setting up a household and forming a family. These disruptions in life passages can be quite demoralizing for young people and undermine social cohesion. There is a connection between youth joblessness and serious social problems such as crime, drug abuse, and vandalism (Britt, 1994; Graham & Bowling, 1995; Freeman, 1996). High levels of youth unemployment can also lead to alienation from society and democratic political processes, which give rise to social unrest and conflict in many countries. Threats to social peace and individual well-being have been linked in part to the pressures of joblessness on a large segment of the youth population.

2. The international policy context

2.1 International and regional forums

Several initiatives have been launched recently which are of special relevance to youth and employment. The first is the World Programme of Action for Youth to the Year 2000 and Beyond adopted by the UN General Assembly in 1995. The programme provides a policy framework and practical guidelines for national action and international support to improve the situation of young people. It contains proposals for action to the year 2000 and beyond, aiming at achieving the objectives of the International Youth Year and at fostering conditions and mechanisms to promote improved well-being and livelihood among young people. Youth employment is a priority area of the action programme, suggesting four proposals of action: *(i)* opportunities for self-employment; *(ii)* employment opportunities for specific groups of young people; *(iii)* voluntary community services; and, *(iv)* employment opportunities in fields that are rapidly evolving as a result of technological change. The implementation of this programme involves many parts of the UN and specialized agencies including the ILO.

In November 1996, the World Youth Forum of the United Nations System, held in Vienna, was convened as a follow-up meeting to implement the World Programme of Action for Youth. At the Forum, the working group on Youth and Employment endorsed proposals for action on opportunities for self-employment, creating employment opportunities for specific groups of young people and

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unemployment rates (O'Higgins, 1997). Thus, the argument that young people's unemployment duration is shorter than adults' is not strongly supported by the evidence. However, even if youth unemployment duration is shorter than for adults, it is still necessary to pay particular attention to unemployed young people.

promoting community services involving young people. It recommended the implementation of appropriate labour market policies designed for specific target groups such as young women, refugees, the disabled, unemployed youth and migrant workers. The priorities identified by the Group included capacity building of NGOs, more policy dialogues at national, regional and international levels, and increase collaboration among youth NGOs, the UN system and other inter-governmental organizations. At national level, they encouraged the private sector to participate actively in all community initiatives aimed at promoting youth employment.

Commitment 3 of the Declaration of the World Summit for Social Development adopted in March 1995 stresses the promotion of the goal of full employment as a basic priority for the economic and social policies. It also makes explicit reference to the problems of young people, stating that "special attention should be given to the problems of structural, long-term unemployment and underemployment of youth"[2].

Youth employment is also a central issue of concern to developed countries. In November 1997, at the Kobe Jobs Conference, the Chair's conclusions affirmed that "the promotion of youth employment through appropriate policies is crucial and needs to be addressed" and that "achieving a smooth transition from school to work is key to addressing youth employment". The chair stressed that measures should be promoted including "the provision of work experience both at school and off the school curriculum (internship), access to career information, counselling to build up clearer occupational consciousness, effective job placement and vocational training."[3] Also in November 1997, the European Commission adopted the 1998 guidelines for employment policy which inter alia state that "Member States will ensure that every unemployed young person is offered a new start before reaching six months of unemployment, in the form of training, retraining, work practice, a job or other employability measure".

The OECD has also undertaken several initiatives related to the question of youth and employment. At present, the OECD secretariat is in the process of completing round 1 of a "Thematic Review of the Transition from Initial Education to Working Life" which, amongst other contributions, will form the basis of a high level meeting on "The Problem of Youth and Employment", to be held in 1999.

Many youth organizations are involved in youth employment promotion programmes and projects. For instance, the youth development projects of the Organization of American States (OAS) have been designed as comprehensive programmes to help youth develop the skills, attitudes and resources they need to become successful entrepreneurs or to succeed in the labour market. The overall goal is to promote economic growth, employment, productivity, social development and stability among youth through enterprise development. An example of these OAS programmes is the Young Americas Business Trust (YABT), described in box 1.

Box 1: Young Americas Business Trust

[2]A/CONF 166/9. World Summit for Social Development, Copenhagen, 6-12 March 1995.

[3]GB.271/ESP/4. Governing Body, 271st Session, March 1998, Geneva.

The YABT is a multi-national project, established under the Trust for the Americas, which aims to provide micro enterprise development, business skills training and support services for young people throughout the Caribbean and the Americas.

The value of this effort draws on the experience of the OAS since the early 1980's in developing programmes at both the regional and national levels.

It is based on a strategic approach that emphasizes the reduction of duplication, increased efficiency through networking of existing programs and use of methodologies of proven success as a basis for new programming.

The project's four areas of concentration include technology, trade, tourism and training. The project will give priority to:

- Creating political/regulatory environments conducive to business growth by highlighting the importance of a well-trained, entrepreneurial labour force as a public policy priority within a framework of private sector development.
- Increasing the level of training available to young people to improve their skills as workers and entrepreneurs.
- Using the Internet to disseminate information and curricula, "how-to" guides and to develop regional technical cooperation networks.
- Promoting the use of technology as a trade and marketing tool
- Supporting venture capital development through privately-supported national trusts to maintain a high level of support for the project at the national level and as a means to mobilize additional matching resources, mentors and partners.

Source: Organization of American States (1998).

Also, different departments and programmes of the UN undertake activities related to youth and employment. For instance, the Department of Public Information of the UN has several activities related directly to youth and employment, such as a training programme for young broadcasters and journalists from developing countries, an internship programme in collaboration with Columbia University and a guided tours programme.

2.2 The ILO's work on youth & employment

Since its inception in 1919 the ILO has been involved in establishing regulations to improve the working conditions of young people. The Minimum Age (Industry) Convention of 1919 (no. 5) and the Night Work of Young Persons Convention 1919 (no. 6) are two early examples. The ILO has also long been involved in the design of instruments to promote youth employment and training beginning with the adoption of the Unemployment (Young Persons) Recommendation (no. 45) of 1935. This Recommendation advocated specific measures to facilitate the placement of young people on the labour market and to avoid unemployment amongst the young population. Amongst the proposals were: the extension of the minimum school leaving age to at least fifteen, with the provision of maintenance allowances where necessary to parents; the establishment of special employment centres with strictly voluntary attendance on the part of young people; and the organisation of public works to assist unemployed young people. The Special Youth Schemes Recommendation of 1970 (no. 136) provides guidelines regarding special youth employment and training schemes for development purposes and specified the conditions which should prevail in such schemes. Above-all it stressed that participation in the schemes should be voluntary and should not violate the terms of international labour standards on forced labour.

In 1986, Youth was on the agenda of the International Labour Conference. Amongst its many recommendations it suggested that any significant improvement in the condition of young people would be closely associated with broader improvements in social and economic development. In addition it contained recommendations regarding: the role of the social partners; the adoption of International Labour Standards regarding youth; formal education in preparation for work; labour utilisation and access to education, training and employment; conditions of work in the informal sector; self-employment and small business creation schemes; and measures concerning special groups of young people such as young women. In 1996, the International Labour Conference adopted conclusions concerning the achievement of full employment in a global context: the responsibility of governments, employers and trade unions. Amongst these conclusions was the affirmation that countries should design and implement special measures to enhance the employability of vulnerable groups such as young workers. In 1998, the International Labour Conference adopted a Resolution on Youth Employment, which calls on member States to implement a balanced economic growth strategy and to take specific measures to increase employment opportunities for young persons, while ensuring employment protection for them. These measures include investment in education, vocational training, counselling, flexible work arrangements, and the creation of small and medium sized enterprises. The resolution asks member States inter alia to encourage the participation of employers' and workers' in determining the programme and content of education and vocational training, in implementing such programmes and in designing systems of skill recognition. The Resolution also calls upon the ILO to place youth employment as a high priority in its future work, which includes, among others, drawing up an international strategy for youth employment and disseminating best practice information and research on employment initiatives for youth. (See Annex I for details).

The elimination of child labour is also one of the priority objectives of the ILO[4]. This objective is reflected in several existing standards, including the ILO Minimum Age Convention (No.138) of 1973 and its accompanying Recommendation No. 146 which are the most recent and comprehensive ILO instruments aimed at the abolition of child labour. The ILO is also assisting its member States to eliminate child labour through its major technical assistance programme, the International Programme on the Elimination of Child Labour (IPEC), which is now active in about 50 countries in Asia, Africa, Latin America and Europe. IPEC is an action-oriented programme whose aim is the phased elimination of child labour (starting with the "worst" forms of it) by strengthening the capability of countries to deal with the problem and by promoting a worldwide movement to combat child labour. Responding to the urgent need to bring an immediate end to the "worst" forms of child labour, the most recent 1998 Session of the International Labour Conference discussed a proposed new Convention with a view to its adoption in 1999. During the Conference, a 181-member Committee on Child Labour comprised of government, worker and employer representatives, concluded that the "worst" forms of child labour should include all forms of slavery and practices similar to slavery, such as the sale and trafficking of children, forced or compulsory labour, debt bondage and serfdom; the use, procuring or offering of a child for prostitution, for production of pornography or for pornographic performances, as well as illegal activities, such as the production and trafficking of drugs; and any other type of work or activity which, by its nature or the circumstances in which it is carried out, could jeopardize the health, safety or morals of children. The accompanying draft Recommendation urges, among other things, member States to

[4]Children are defined as age 17 or below.

adopt effective, time-bound measures to assist in the removal of children from the worst forms of work.

The ILO also undertakes a number of training activities through its regular programme, the International Training Centre in Turin and technical co-operation projects. Although these activities are not designed for any specific age group, almost invariably young people benefit from these programmes. Moreover, a number of technical cooperation projects, described in box 2, have been undertaken with youth as their sole or principal target group.

Box 2: ILO technical cooperation projects

The project for entrepreneurship development in Indonesia[5] consists of a series of coordinated initiatives in micro enterprise promotion targeted at high risk groups of unemployed young people. Under this project, eighteen self-employment and local enterprise development units were set up in universities, training institutions and community organisations. During 1990-91 over 1,500 businesses were established and some 5,000 jobs created at an average cost of less than US$70 per job. The component addressing the university graduate population is in the process of being replicated on a larger scale as part of a wider World Bank skills development programme.

Youth is also the main target group of the ILO Action Programme on skills and entrepreneurship training for countries emerging from armed conflict, which aims to learn from the experiences of selected post-conflict countries in Africa, Asia and Central America in order to offer guidance to countries newly emerging from armed conflict. The objective of the Programme is to increase the capacity of governments and other national and local bodies to facilitate the rapid and effective reintegration of war-affected groups, through training and employment creation[6].

The ILO programme on the rehabilitation of drug addicts focuses primarily on unemployed young people.

The inter-regional programme to support the self-reliance of indigenous and tribal communities through cooperative and other self-help organisations (INDISCO) in India has included youth groups as specific beneficiaries.

Action Programme on Youth Unemployment

During the 1996-97 biennium, the ILO undertook an Action Programme on Youth Unemployment. The principal objectives of the action programme were: *(i)* to raise awareness among constituents of the problems associated with the entry into the labour market of young people; *(ii)* to improve their understanding of the advantages and disadvantages of the principal policy options, as a basis for the design and implementation of policies and schemes for youth employment and, *(iii)* to enhance the capacity of member States to design and implement policies and programmes for promoting youth employment both at the macroeconomic and microeconomic levels. The action programme comprised a series of country case-studies as well as analyses of specific policy issues affecting youth employment. The main output of the action programme will be a detailed comparative report prepared on national experiences and policies.

Action Programme on Strategies to Combat Youth Marginalization and Unemployment

[5]"Indonesia: Information and policy development related to self-employment and micro-enterprise development. Project findings and recommendations". ILO, Geneva, 1994.

[6]For instance, see the 1997 ILO study on "The reintegration of war-affected youth: The experience of Mozambique" which is an input to this ILO Action Programme.

During the 1998-99 biennium, the ILO will implement an action programme on strategies to combat youth marginalization and unemployment. The objective of this action programme is to develop a coherent and systematic method of intervention for developing countries, which can be adapted to national situations and integrated into employment policies in order to combat the social exclusion and unemployment of young people.

3. The role of the social partners, NGOs and the community

The intervention of the social partners, the NGOs and the community in the elaboration and implementation of youth employment policies is key for any improvement in the employment situation of young people. Employers' and workers' organisations have a crucial role to play at all levels where policies are made or action taken to create employment for youth or to facilitate the transition from school through training for employment. Employers' and workers' organizations can contribute with their experience but should also take part in the formulation and implementation of policies.

The full involvement of the social partners in determining appropriate working conditions and remuneration levels for young people is imperative. All parties should take account of the need to improve working conditions with the objective of securing balanced economic and social development in line with ILO standards. Attempts at unilateral action to undermine existing standards must be avoided. Moreover, governments should seek, through consultation with the social partners, to ensure that circumstances for the employment of young people are as favourable as possible. They should act in such a way as to encourage, rather than inhibit, the expansion of their access to stable employment.

Much research has shown that the effectiveness of youth employment policy is enhanced when the social partners are involved in its design and implementation.[7] Involvement of employers' and workers' organisations helps to identify the appropriate forms of training and employment programmes for job opportunities. It also means that these organisations are stakeholders in the whole process and are therefore committed to its success. An outstanding example of this is Germany which has managed to maintain levels of youth unemployment below those of their adult counterparts.

Youth employment has become a priority of employers' and workers' organizations across the world. The International Employers Organizations (IOE) presented its action programme on youth employment at the First 1998 Session of the General Council of the International Employers Organizations. (See box 3).

Box 3: Improving youth's prospects for employment: Employers' actions

[7]See, for example Green et al. (1996) have shown that the presence of a trade union in a workplace increases the likelihood that workers there will receive training. OECD (1996) also notes the positive role that can be played by tripartite involvement in the development and implementation of active labour market policies.

i) Actions concerned with education and vocational training:
- Enterprises' participation in national vocational training systems and training programmes
- Promotional measures aimed at increasing the number and scope of training opportunities within the private sector
- Innovative measures which employers have introduced or adopted in order to render national vocational training systems more effective and more relevant
- Special training schemes
- Education-industry partnership

ii) Creation of job opportunities:
- Job facilitation services
- Special job creation schemes
- Special incentives for recruitment

iii) Policy advocacy and policy making:
- Representation in tripartite policy bodies and tripartite consultations
- Representation on the boards of educational and training institutions
- Participation in the policy making process through indirect means, such as research and policy review
- Dissemination of information to their members and lobbying

Source: IOE Programme of Action on Youth Employment. Enhancing Youth Employment: Employers' Actions. (Draft Programme). Geneva, June 1998.

Box 4: Workers' Action Plan on Youth Employment: "Young people and work"[1]

i) Priorities concerned with education and vocational training:
- Education for children should be compulsory in all countries with the provision of at least one free meal where poverty impedes access to education.
- Support education and vocational training through international agencies.
- Governments should commit themselves to guarantee a job or a place in relevant and meaningful training or education for all young people.
- Implement proactive labour market planning including counter-cyclical training programmes.
- Give priority to developing entry level training and structured training in non-traditional areas

ii) Priorities targeted to young workers in the workforce and to the creation of job opportunities for them
- Employment advice and referral systems including career path planning.
- Special recruitment programmes for young people.
- Effective wage subsidy programmes.
- Creation of public sector jobs particularly in socially useful areas and concentration on growth industries in job creation programmes.
- Effective programmes to substitute child workers with adult family members.
- Implement and improve labour market research and collection of statistics.
- Positive action measures for young women to move into non-traditional jobs.
- Establish youth structures and support the issues identified by young trade unionists.
- Collective bargaining campaigns on issues like pursuing skill based payment systems and provision of increased training opportunities.

[1] For details, please refer to ICFTU Action Plan on youth Employment, "Young People and Work" adopted by the 110th meeting of the ICFTU Executive Board.

Regarding workers' organizations, the International Confederation of Free Trade Unions has also developed an Action Plan on Youth Employment. (See box 4).

NGOs also play a key role in the promotion of youth employment. At the last World Youth Forum held in Vienna in November 1996, the need to increase collaboration among youth NGOs, the UN system and other intergovernmental organizations was emphasised. It was recommended

that in order to ensure effective participation of the NGOs in the UN system as well as to play a more effective role in promoting youth employment, capacity building for youth NGOs is crucial. This would require development of good training materials for strengthening the capacity of the youth NGOs, as well as preparation of concrete guidelines for training initiatives to be undertaken by youth NGOs.

Many NGOs participate in the implementation of ILO's technical cooperation projects. The Skills Development for Self-Reliance (SDSR) project assists five African countries in designing and implementing community based skills training programmes aimed at generating self-employment for young people in rural areas. In Nepal and the Philippines, the ILO has also undertaken rural youth employment programmes through skills training in collaboration with NGOs. NGOs also collaborate with other UN agencies to implement youth employment programmes. For instance, Youth for Habitat together with the United Nations Development Programme and the private sector in Turkey, is working on a project the aim of which is to enable youth in the developing regions, through small-scale incentives and training programmes, to get jobs in their own regions.

Box 5: Barefoot college

The Barefoot College was the winner of the ESCAP-HRD 1995 award for its innovative approach in addressing the issue of promoting productive employment for youth.

The College is a non-formal training institute where young people are given practical skills by village teachers who are often without formal qualifications. The skills taught are aimed at providing basic services to villagers: safe drinking water, sanitation, education and health care.

With this simple approach, remarkable achievements have been made. Two generations of teachers, doctors and engineers have passed through the College and are now providing basic services to support their communities. Trained as engineers and mechanics, the youth are providing such services as installing and maintaining solar electricity systems to provide basic lighting, and installing hand pumps to provide drinking water to over 1.8 million villagers. Since 1972, some 1,300 hand pumps were constructed in villages and are being maintained by rural youth, all graduates of the College. Also, some 80 night schools, providing literacy skills, are benefiting from a solar electrification system installed by the graduates.

Source: UN ESCAP-HRD Section. Training the Unemployable. A Portrait of the Barefoot College. http://www.escap-hrd.org/abarfoot.htm

Increasingly, community-based initiatives (CBI) address the problem of youth unemployment. CBI create the form, structure and environment within which young people can develop a clear and realistic vision for themselves and strengthen their sense of social and civic responsibility. Parents, business owners and civic leaders can guide them through this process. A successful example of community action is the Barefoot College in Rajasthan, India, described in box 5.

4. An effective policy response: A survey of experience

Economic conditions

The overall implication of the analysis of the causes of youth unemployment, as discussed in section 1.4, is that any effective policy for promoting youth employment should take into account the current state of the economy. The relative importance of different types of policy measures, such as employment subsidies and training programmes will depend on general economic performance.

Vocational training programmes do not necessarily create post-programme employment opportunities. Employment subsidies and public works schemes may be just as successful in maintaining the labour market attachment of participants. Furthermore, these measures are less likely to inculcate in participants unrealistic expectations of long-term job opportunities. On the other hand, it may be advantageous for firms to use periods of reduced demand to increase and upgrade the skills of their existing workforce so as to be ready for increased production when the economy does pick up. Government support for such skills development would help avoid lay-offs during recessions.

Also, promoting youth employment should be part of an overall strategy of employment creation through the promotion of employment-intensive economic growth. Recent ILO reports have suggested that an investment-led strategy remains a viable option[8]. The problem of youth unemployment cannot be tackled in isolation from the wider problems facing the economy. For example, in the context of the recessions facing many Eastern European transition economies, the wholesale introduction of training programmes for young people will do little more than temporarily ease the problem for that group unless measures are taken to ensure that they will be taken on by employers afterwards. Such schemes may raise the expectations of young participants who are doomed to disappointment.

An integrated approach

Youth employment policies and programmes may be more effective if they are integrated with education policies. One step towards this integrated approach has been taken by some EU member States, for example the United Kingdom, with the unification of the Department of Employment and the Department of Education and Science into the Department for Education and Employment. This may help avoid the development of education and employment policies that are in competition with each other. Moreover, the education curriculum should take into account the vocational needs of young people. In a number of countries, it has been suggested that education is too theoretically oriented. School curricula should to some extent reflect the requirements of young people when they enter the labour market.

Box 6 describes specific schemes developed by Ireland, Spain and Portugal based on integrated approaches combining education and training, educational and occupational counselling, support during the transition process and assistance with access to a first work experience.

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[8] ILO: World Employment Report, 1996/97, Geneva, 1996. ILO: Jobs for Africa, Geneva, 1997.

Box 6: Ireland, Spain and Portugal;
Integrated approaches combining education and training

These programmes, combining education and training, are targeted to youth with particular difficulties of integration and early school leavers.

Workshop Schools for unskilled youth have been quite popular in Spain and have now been introduced in Portugal in the context of developing traditional crafts and local areas. In Spain, between 1994-96, 44,500 trainees completed courses, and placement rates were around 50 per cent. The quality of the workshops' output was also highly satisfactory. The Workshop Schools were qualified as a best practice example at the EU Jobs Summit, 20-21 November 1997.

In Ireland, the Youth Reach Programme is designed specifically for early school leavers. It was identified as a high priority in a recent review by the European Social Fund and will be refinanced in 1998-99, to allow for an increase of over 1,400 places. The scheme offers advice and counselling, a bridging facility, a preventive package focused on young people at risk and a "Preparation for Youth Reach" pathway.

Source: Jobs Summit, Commission draft for the Joint Employment Report, (SEC(97) 1769 final) 20-21 November 1997.

Labour market information

A common problem of many developing countries is the lack of up to date and accurate labour market information. Better information on the labour market situation would allow more appropriate targeting of policies and programmes for promoting youth employment. Also, better information on the requirements of employers would help to improve the design of vocational training and other programmes.

Better labour market information may also help young people make informed choices concerning their working lives. In many countries there appears to be a serious mismatch between the job expectations of young people and the type of employment they can realistically expect to obtain. One manifestation of this is the phenomenon of "educated unemployment". In many developing countries the young with relatively high levels of education exp[illegible] to obtain employment in the public or formal sectors. With the contraction of such forms of employment under structural adjustment, such expectations are frequently unrealistic. In part, expectations may be more appropriate with the collection and dissemination to young people of up-to-date labour market information.

In its Training Manual on the application of labour market analysis in the planning of human resources projects and programmes, the Economic Commission for Africa stresses the role of labour market analysis as a useful tool for studying changes in the structure and operation of labour markets with a view of facilitating the planning of human resources projects and programmes. It also stresses the need to enhance the signalling ability of national labour market information mechanisms which are likely to influence the individual decisions made by employers and workers (ECA, 1996).

Targeting

Programmes should be carefully targeted for two reasons. Firstly, on the grounds of efficiency. Many studies have shown that more closely targeted programmes are more successful. Secondly, on the grounds of equity. Particularly, when there are clear cases of labour market surplus, notions of social justice suggest that aid should go to those young people most in need of

help. One of the repeated findings of the evaluation literature is that schemes tend to be unequal in their effects and help most those already in a position to help themselves.

Close targeting of schemes and their tailoring to participants' needs are important both because such schemes are likely to be more effective in promoting post-programme employment and because, as the first section showed, unemployment is by no means spread evenly across the youth population. Programmes need to be aimed at those young people who are in most need of help in order to counter the dangers of social exclusion. The experience of ethnic minority youth in inner city areas in the USA is a powerful reminder of this.

The youth employment programme in Chile (*Chile Joven*), described in box 7, targeting disadvantaged youth has been highly successful in promoting employment.

Box 7: "Chile Joven"

Chile Joven aims to bring opportunities of social and economic integration to young people from low income families. The programme does this through training schemes that allow these people to obtain basic skills to be eligible for work. The scheme, financed with support from the Interamerican Development Bank, was originally designed to last four years (1991-95). However, in 1994, the programme was extended for 3 more years. The target for the first four years of the programme was to train 100,000 young people between 15 and 24 from low-income families, out of the education system and unemployed, underemployed or inactive but willing to work. The training courses teach principally industrial skills (44 per cent), office related work skills (30 per cent) and agricultural skills (10 per cent).

The programme is highly decentralized and relies on around 1,000 training providers (including private training centres and non profit organizations) which undertake public bidding for training contracts thus providing competitive pressure to keep quality up and costs down.

A significant contribution of *Chile Joven* has been to create a market of training agencies specialized in the training of low income young people.

Several evaluation studies have stressed the success of the programme. The programme enrolled more than 110,000 young people during the first 5 years, more than the 100,000 target established. In the first three years almost 60 per cent of the young people enrolled found a job at the end of the programme, compared to less than 40 per cent for young unemployed people not in the programme. Evaluation reports present highly positive results regarding the social integration of the trainees. Several surveys show that the participants learned more in terms of behaviour than in terms of technical skills. The studies also stress a high level of satisfaction of firms with the programme. Finally, the main objective of *Chile Joven*, which is the access of the young people to the labour market, was achieved. Around 55 per cent of the participants got a contract in the company where they undertook the traineeship and a substantial number of participants decided to go back to study.

Source: ILO: *Chile: Crecimiento,empleo y el desafío de la justicia social* (Santiago, 1998); *Caracterización de empresas e instituciones que han otorgado prácticas laborales a jóvenes beneficiarios del programa*, ILET, 1994; *Evaluación de los efectos del programa de capacitación laboral de jóvenes sobre los organismos técnicos de ejecución*, GREDIS, 1995; *Presentación y análisis de resultado: programa capacitación laboral de jóvenes fase I*, SENCE, 1996.

Monitoring and evaluation

Monitoring and evaluation is a fundamental requirement for the effective implementation of policies and programmes for promoting youth employment. Whilst monitoring and evaluation is fairly common in industrialised countries, in transition and especially developing economies relatively little attention is paid to it. Monitoring serves the basic function of ensuring that

programmes are actually implemented as planned. Evaluation together with monitoring can refine programmes and identify where and why they succeed or fail. Such monitoring and evaluation should be built in at the programme design phase.

Some programmes are evaluated using the superficial criterion of post-programme employment rates as an indicator of success rather than the *improvement* in employment prospects of specific groups brought about by programmes. As a consequence, youth employment schemes tend to concentrate on the more able participants precisely because these are the groups who are likely to demonstrate the success of the programme. Therefore, it is necessary to evaluate programmes in a slightly more sophisticated manner, as is now common practice in a number of industrialised countries, most notably the USA. Evaluation must at least attempt to take into account what would have happened in the absence of such programs.

5. Conclusions

The problem of youth unemployment is both serious and complex. Its effective solution requires action at both the national and international levels. Policies and programmes for promoting youth employment are multidisciplinary by nature; they require a conducive macroeconomic environment to broaden improvements in social development and promote economic growth, effective employment and labour market policies, sound skill training programmes and efficient employment services. Moreover, any significant improvement in the conditions of large number of young people needs the development of a close alliance between government and NGOs, between the public and private sectors, and the full cooperation of employers' and workers' organizations, as well as of the community at large.

Although the socio-economic situation of young people differs widely from country to country, there are important similarities. One common characteristic is the drive to become integrated into society, and an important measure of that integration is their place in the world of work -a world that has come under increasing strain as the global economic fabric has tightened under the pressure of structural reforms, technological change and globalization, especially in developing countries.

This paper has examined some of the issues related to the problem of youth unemployment and has identified a number of elements that might contribute to an effective response. One of the main conclusions is the overwhelming importance of general macroeconomic conditions in determining the level of youth unemployment. Youth employment policies must be designed with the constraints imposed by economic conditions in mind.

Youth employment policies need to be administered in a framework which also integrates education policies. Attention needs to be paid to the expectations and aspirations of young people. Programmes should be carefully targeted, in particular to the situation of those with lower levels of education and skills. In this context it is important for all countries to develop an adequate labour market information system and to establish an appropriate mechanism for monitoring and evaluation.

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